

REQUEST FOR BOARD ACTION / CONTRACT CONTROL FORM

Date of Request: December 17, 2007

Board Meeting Date Requested: January 7, 2008

Short Title: Introduction Of Pender County Audit For Fiscal Year Ending June 30, 2007.

Background:

Brian Scott will present an overview of the County's annual audit as completed by Thompson, Price, Scott & Adams Company in November 2007. The audit was performed on the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information for Pender County for the year ended June 30, 2007. The audit meets the requirements put forth under U.S. Generally Accepting Auditing Standards.

Specific Action Requested: Receive and Overview of the Pender County Audit for fiscal year ending June 30, 2007.

Requested by: David J. Mccole
Department: Finance
Title: Finance Officer
Contact Phone: 259-1407
Contact Fax: 259-1574

Tracking Number: /

Date Request Received: December 17, 2007

Board Meeting Date Assigned: January 7, 2008

Request Status:

- Request is proceeding to Board of Commissioners
 More information is needed – see attached
 Request on hold – no further information needed
 Other:

(Administrative Use Only)

CONTRACT TYPE

- Renewal
 For Service(s)
 Intergovernmental – County as Grantee
 Federal Grantor
 State Grantor
 Grantor
 County as Grantor
 County Funds
 Other Funds:

PURCHASING

Date Rec'd: Budgeted Item: Yes No
 Reviewed and Approved
 Comments on Reverse

Date Sent:

Signed:

ATTORNEY

Date Rec'd: Reviewed and Approved
 Legal Problem(s)
 Comments on Reverse

Date Sent:

Signed:

FINANCE

Date Rec'd: Sufficient Funds Available
 Not Available
 Budget Amendment Necessary
 Budgeted Amendment is Attached
 Comments on Reverse

Date Sent:

Signed:

CLERK

Signature(s) Required:
 Board Chairman/County Manager
 Other:

Date Rec'd Approved by Board: Yes No
At meeting on

MANAGER'S RECOMMENDATION:

Respectfully recommend approval.

LAB
Initials

RESOLUTION: NOW, THEREFORE BE IT RESOLVED, by the Pender County Board of Commissioners to accept the Pender County Audit for fiscal year ending June 30, 2007.

AMENDMENTS

MOVED _____ **SECONDED** _____

APPROVED _____ **DENIED** _____ **UNANIMOUS**

YEA VOTES: Williams ___ Tate ___ Blanchard ___ Brown ___ Rivenbark ___

J. David Williams Jr., Chairman 1/07/08
Date

Attest 1/07/08
Date



CERTIFIED PUBLIC ACCOUNTANTS

Alan W. Thompson, CPA
R. Bryon Scott, CPA
Gregory S. Adams, CPA

Offices:
Whiteville, NC
Elizabethtown, NC
Wilmington, NC

November 9, 2007

To the Board of Commissioners
Pender County

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Pender County for the year ended June 30, 2007, and have issued our report thereon dated November 9, 2007. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated July 1, 2007, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting principles. Because an audit is designed to provide reasonable, but not absolute, assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

In planning and performing our audit, we considered Pender County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

As part of obtaining reasonable assurance about whether Pender County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also, in accordance with OMB Circular A-133, we examined, on a test basis, evidence about Pender County's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* applicable to each of its major federal programs for the purpose of expressing an opinion on Pender County's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on Pender County's compliance with those requirements.

Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Pender County are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by Pender County during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Management Judgments and Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no significant estimate(s) or assumptions noted during the audit.

Audit Adjustments

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on the Organization's financial reporting process (that is, cause future financial statements to be materially misstated). In our judgment, none of the adjustments we proposed, whether recorded or unrecorded by the Organization, either individually or in the aggregate, indicate matters that could have a significant effect on Pender County's financial reporting process.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Pender County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

This information is intended solely for the use of the Board of Directors and management of Pender County and is not intended to be and should not be used by anyone other than these specified parties.

We will be pleased to respond to any questions you have about the foregoing. Our firm greatly appreciates the opportunity to continue to be of service to Pender County.

Very truly yours,

Thompson, Price, Scott, Adams & Co., P.A.

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